

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
NEWARK DIVISION

SECURITIES AND EXCHANGE	:	
COMMISSION,	:	Civil No. 2:14-cv-02827-SRC-CLW
	:	
Plaintiff,	:	
v.	:	
	:	
S. PAUL KELLEY,	:	
GEORGE TAZBAZ,	:	
ROGER D. LOCKHART,	:	
ROBERT S. AGRIOGIANIS, and	:	
SHAWN A. BECKER,	:	
	:	
Defendants.	:	

**UNOPPOSED MOTION FOR ENTRY OF PERMANENT INJUNCTIONS AND
JUDGMENTS AGAINST KELLEY, LOCKHART, AND AGRIOGIANIS**

Plaintiff United States Securities and Exchange Commission (“SEC”) submits this unopposed motion requesting that the Court enter judgments against Defendants S. Paul Kelley, Roger D. Lockhart, and Robert S. Agriogianis that will: enjoin each of them from violating the federal securities laws alleged in the complaint; order Kelley and Lockhart to pay disgorgement of ill-gotten gains, prejudgment interest and civil penalties; and bar Lockhart and Agriogianis from participating in the offer of penny stocks. Each of the defendants consents to entry of a permanent injunction and additional remedies. *See* Consent of Defendant S. Paul Kelley, Exhibit 1; Consent of Roger D. Lockhart, Exhibit 2; and Consent of Robert S. Agriogianis, Exhibit 3. The SEC and Agriogianis also agree that the issue of money remedies against Agriogianis will be resolved by a later motion. *Id.* at ¶ 3.

The Court has jurisdiction over each of these defendants. Each defendant waived service of the summons and complaint, entered a general appearance, and admitted the Court's jurisdiction over the defendant and the subject matter of this action. See paragraph 1 of each defendant's consent attached as Exhibits 1, 2, 3.

Without admitting or denying the allegations of the complaint, Kelley consents to entry of a final judgment that permanently restrains and enjoins him from violation of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)]; Sections 9(a), 10(b), 13(d), 15(a), and 16(a) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78i, 78j(b), 78m(d), 78o(a) and 78p(a)], Rules 10b-5, 13d-1, 13d-2, and 16a-3 thereunder [17 C.F.R. §§240.10b-5, 240.13d-1, 240.13d-2, and 240.16a-3], and Rule 101 of Regulation M thereunder [17 C.F.R. § 242.101]; orders him to pay disgorgement in the amount of \$2,828,353.53, plus prejudgment interest thereon in the amount of \$560,812.47; and orders him to pay a civil penalty in the amount of \$2,828,353.53 under Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act [15 U.S.C. §§ 77t(d), 78u(d)(3)]. *See* Exhibit 1. Entry of the proposed order resolves all the issues against Kelley.

Without admitting or denying the allegations of the complaint, Lockhart consents to entry of a final judgment that permanently restrains and enjoins him from violation of Sections 5(a), 5(c), 17(a)(1), and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)(1) and (3)]; and Sections 9(a), 10(b), 13(d), and 16(a) of the Exchange Act [15 U.S.C. §§ 78i, 78j(b), 78m(d), and 78p(a)], Rules 10b-5(a) and (c), 13d-1, 13d-2, and 16a-3 thereunder [17 C.F.R. §§ 240.10b-5(a) and (c), 240.13d-1, 240.13d-2, and 240.16a-3], and Rule 101 of Regulation M thereunder [17 C.F.R. § 242.101]; orders him to pay disgorgement in the amount of

\$1,819,211.77, plus prejudgment interest thereon in the amount of \$332,268.15; orders him to pay a civil penalty in the amount of \$1,000,000.00 under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and orders him to be barred from participating in an offering of penny stock. The proposed order provides that Lockhart shall make payments over one year. *See* Exhibit 2. Entry of the proposed order resolves all the issues against Lockhart.

Without admitting or denying the allegations of the complaint, Agriogianis consents to the entry of a judgment that permanently restrains and enjoins him from violation of Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c)], and Sections 10(b), 13(d), and 16(a) of the Exchange Act [15 U.S.C. §§ 78j(b), 78m(d), and 78p(a)], and Rules 10b-5(a) and (c), 13d-1, 13d-2, and 16a-3 thereunder [17 C.F.R. §§ 240.10b-5(a) and (c), 240.13d-1, 240.13d-2, and 240.16a-3]; and orders him to be barred from participating in an offering of penny stock. Agriogianis agrees that disgorgement, prejudgment interest and civil penalties shall be determined by the Court upon a later motion of the SEC. *See* Exhibit 3. The proposed order resolves the issues of entry of the permanent injunction and penny stock bar against Agriogianis, but leaves open for resolution at a later time the remedies of disgorgement, prejudgment interest, and civil penalties.

These proposed settlements do not resolve any issues related to the remaining two defendants, George Tazbaz and Shawn Becker.

Based upon Section 20(b) of the Securities Act and Section 21(d) of the Exchange Act [15 U.S.C. §§ 77t(b) and 78u(d)], the SEC respectfully requests that the Court enter judgments including permanent injunctions against Kelley, Lockhart and Agriogianis, ordering Kelley and Lockhart to pay disgorgement and civil penalties, and barring Lockhart and Agriogianis from

participating in the offer of penny stock as provided in the proposed orders for judgment submitted with this motion.

DATED: May 6, 2014.

Respectfully submitted,

/s/ Leslie J. Hughes

eslie J. Hughes, Colo. Bar No. 15043

Nicholas Heinke, Colo. Bar No. 38738

Counsel for Plaintiff

U.S. SECURITIES AND EXCHANGE COMMISSION

1801 California Street, Suite 1500

Denver, CO 80202

Telephone: (303) 844-1000

Fax: (303) 844-1068

Emails: HughesLJ@sec.gov
HeinkeN@sec.gov

CERTIFICATE OF SERVICE

I certify that on May 6, 2014, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, and served a copy by U.S. mail to the following parties through their counsel:

Michael R. MacPhail, Esq.
Faegre Baker Daniels LLP
3200 Wells Fargo Center
1700 Lincoln Street
Denver, CO 80203-4532
Attorneys for S. Paul Kelley

Holly Sollod, Esq.
Matthew J. Smith, Esq.
Holland & Hart LLP
555 17th Street, Suite 3200
Denver, CO 80202
Attorneys for Roger D. Lockhart

Loren Schecter, Esq.
Justin Joseph D'Elia
Duane Morris LLP
1540 Broadway
New York, NY 10036-4086
Attorneys for Robert Agriogianis

s/ Leslie J. Hughes
Leslie J. Hughes